UNITED POWER

Your Touchstone Energy® Cooperative

2018 ANNUAL REPORT

YOUR COOPERATIVE

COMMUNITY HISTORY

FINANCIAL REPORT

United Power was founded in 1938 to provide electric service to Colorado's growing northern front range. Today, the service area isn't the sparse, rural territory that farmers rallied together to energize. It's a mix of historic farmlands, growing metropolitan suburbs and new commercial and industrial development, intersected by some of the Denver area's busiest transportation corridors. Within this growing service area are nearly twenty distinct towns and cities receiving all, or some, of their electricity from United Power.

While United Power's story began in 1938, many of our member communities were taking shape long before this co-op electrified the landscape. The early years for many of these communities laid the foundation for their futures.

From the early beginnings when the gold rush brought people west to settle near Denver, to the surge of people who supported Colorado's expansion through farming, coal mining and post-war development, each community we serve has a different story to tell. Along the way, United Power became a part of that story by bringing local residents and businesses the electricity that would power their next 80 years, and beyond.

As we reflect on our own 80-year history as a rural cooperative, walk with us through the history of the region, and some of the highlights of the communities we're connected to. Our history is a story about you— the members and communities that make up this cooperative.
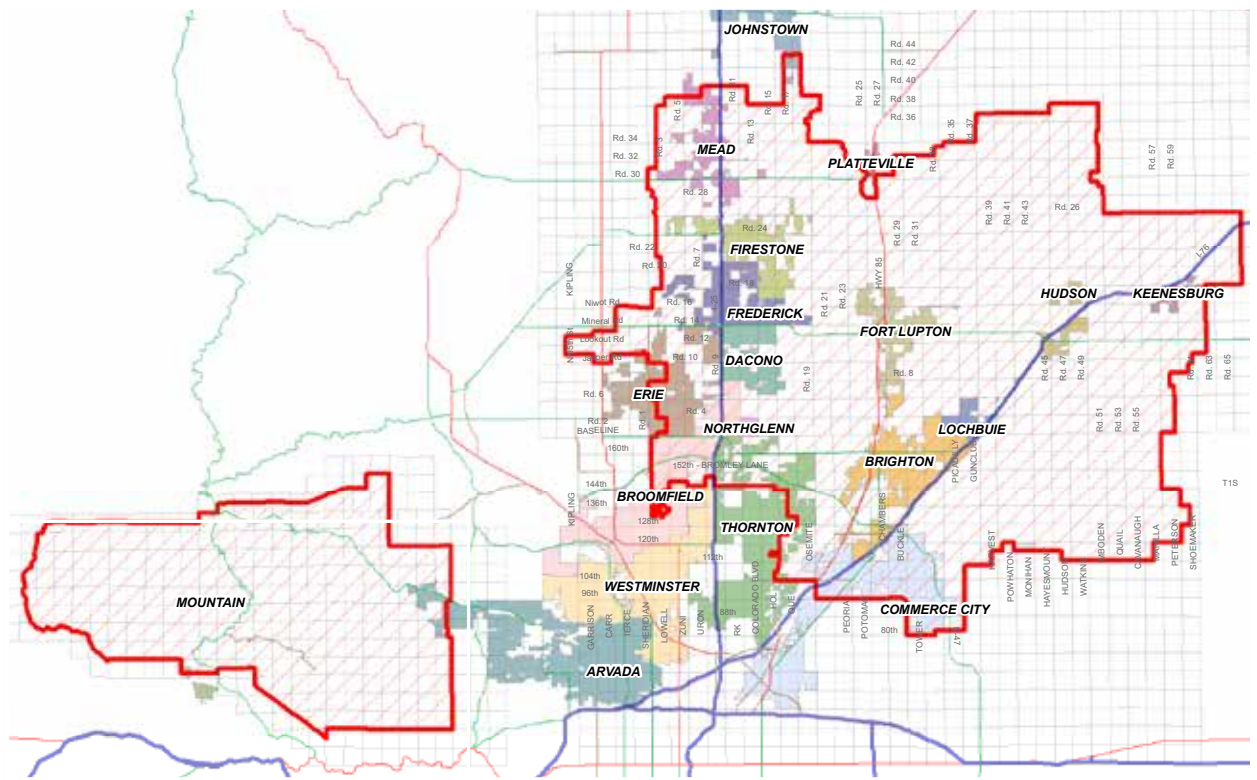
United Power is proud to provide electric service to all, or portions of these Colorado communities.

John Parker
Chief Executive Officer

Dear Valued Members –

This year marks the 80th year since our cooperative was first formed as part of an industry that would move our country into a brave, new future. Residents in small towns and rural areas envisioned a future where children could study by electric light and household duties could be streamlined. What they couldn't have foreseen is the way that electricity has changed everything about our lives today – how we live, how we are entertained, how we work, and how we conduct business. Advances in electronics and computers were developed on the back of the electric infrastructure that rural electric cooperatives helped build. Today children not only study by electric light, they can access a world of information on their laptops. Electric appliances proved to be the labor-saving devices past generations hoped, but we've moved well beyond those original goals and we can sit down to a television show, cook dinner and wash the laundry simultaneously. Electricity has even allowed businesses to automate tasks that were previously completed by hand, increasing production while saving money and time.

In the past year, United Power has continued our tradition of moving into the future – for both us and the members and communities we serve. We welcomed the Town of Frederick into the cooperative, through the purchase of their electric assets that closed early in 2019. In addition to the new members in Frederick, the cooperative added more than 4,000 meters in 2018, making it one of the country's fastest growing cooperatives. Additionally, we have continued our commitment to innovation. We completed the roll out of our Power Portal to all members. Now members can view their electric consumption in 15-minute intervals and use the tool to help them manage their energy use. We energized one of the largest battery storage projects among cooperatives. The new 4 MW battery is already helping to trim costs for the cooperative and helping us to understand how this technology works.

While today's cooperative is very different from the one that started in 1938, the principles that drive us remain the same. We serve our members by providing reliable, economical electricity, but we are committed to providing so much more. As a cooperative we are partners to the towns and cities we serve – and we recognize and value the fact that each community is unique. That's why we've decided to feature a little history about our partner communities in our annual report. While United Power has grown and prospered, so have these communities. Each was started by a group of people with some great ideas and a lot of faith in their vision, and through it all United Power has provided the backbone they needed to power that future. We have been an integral part of each of our communities as they added homes, businesses and roadways. We have worked with them to help them achieve their vision of the future.

We have been honored to be connected to all of you for the last 80 years!

Gateway to the Gold Rush

A few short years after United Power lines started delivering power along the Front Range, it began the long process of developing and building an electrical infrastructure to serve the Coal Creek and Golden Gate canyons for the first time. In serving these two canyons, the cooperative also inherited a large piece of state and American history, one that helped lead to the initial surge in population growth along the illustrious Front Range.

When town promoters, storekeepers and farmers began to spin stories of gold in the western part of the Kansas territory in the mid-1850s, many suspected the claim to be a hoax. John Gregory, upon hearing the story of gold discovered in Cherry Creek, started on a prospecting tour from Ft. Laramie. In the summer of 1859, Gregory discovered an odd colored rock – burnt orange quartz – often associated with gold. He used his discovery to convince a group of men to follow him up the mountains picking for gold. In May of that year, two days after beginning his trek up the mountains, Gregory and his team found what they were looking for, putting an end to the charges that the goldfields were a hoax. The gold rush was on.

Tom Golden arrived around the same time. Although he came to pan for gold near Clear Creek, he stayed to promote a new town – Arapahoe City. When news spread of Gregory's discovery, Golden laid out a second town at the base of his trail. He called the new town Gate City, but travelers would call it Golden's Gate City. Golden's new town was not to be confused with the present day City of Golden, however. It was founded later as Golden City and advertised a bigger and better supply town, which proved to be true. "City" was dropped from the name in 1871.

The gold Gregory discovered yielded $20 million dollars, and the district bearing his name would yield more than $220 million dollars. Instead of being around to see it, though, Gregory faded out of the scene. In 1862, he sold his mine for $21,000 and disappeared. The influx of people brought by the news of gold later led to the founding of the Colorado Territory, but Gregory's name would go largely unrecognized.

"For saving the Pike's Peak gold rush from collapse and making bonanza kings out of greenhorn miners, Gregory got his name on a mining district in a crooked, two-mile-long gulch fouled by mine dumps," Charlie and Mary Ramstetter recounted in their book commemorating the region's history.

The canyon Tom Golden's new city fed into eventually became the region now known as Golden Gate Canyon. Golden Gate provided the most direct route to Gregory's goldfields. Later, Coal Creek Canyon was also trekked as a path to the goldfields.

Not far from Golden, another city was taking shape along the South Platte River where gold deposits had first been discovered. Established as a gold mining town in 1858, it quickly transformed into a supply hub for new mines. The rapid influx of people hoping to find riches in the gold mines created a city destined to become the burgeoning metropolis it is today. The founders named it after then Kansas Territory governor, James W. Denver.

By the time United Power began providing power to the two canyons, the goldfields had already played out, leaving behind a lasting legacy and stories of American ingenuity. Gone, but not forgotten, people will always be fascinated by the stories of hardworking men and women seeking riches in the gold rushes of American history. The glory may have faded, the tales never will. ▪

Princeton of the Plains

When Denver was founded in late 1858, much of the land surrounding it remained unsettled. As the city grew, families began looking outward for land to call their own. Pleasant DeSpain probably didn't envision the sprawling suburbs and open spaces existing today when he homesteaded 170 acres north of Denver in 1870. Before the postwar boom in the 1950s, only a few thousand residents lived in these new cities, but today they are home to hundreds of thousands. The first of those communities was Westminster.

Like many other towns before it, Westminster quickly attracted a railroad, and the area known as DeSpain Junction grew into a small farming community. Shortly after in 1885, an out of state developer named C.J. Harris arrived, purchasing land from tax-burdened settlers and dividing it into small farm tracts – creating the community of Harris.

The announcement of Westminster University in 1891, planned for the former Harris property, expected to change the slow growth experienced in the town's early years. Unfortunately, construction was delayed until 1903 when an anonymous donor provided $100,000 stipulating the school be patterned after Princeton, the prestigious east coast university in New Jersey. Five years later, classes opened with 60 enrolled students. To promote the university, officials sold off parts of the land as home sites, and were able to quickly pay off debts.

As the town grew around the increasingly successful university, the need for an adequate water system grew, as well. In 1911, residents voted to incorporate as the Town of Westminster. The early success of the university was short lived, however. A board decision to make it an all-male college in 1915 ended with shuttered doors two years later when the United States entered World War I. Many students left school to serve in the military. Following the war, Belleview College was established on the grounds of the former university as a junior college and seminary.

Without the university, Westminster experienced little growth until a group of Boulder businessmen decided to begin construction on a turnpike connecting Boulder and the Valley Highway (later Interstate 25), passing through both Westminster and Broomfield. Completed in 1952, more than 7,000 people traversed the highway each day. Within a few years, traffic had doubled, contributing greatly to Westminster's growth. The end of the World War II also impacted Westminster's population growth. Veterans moving back home following the war's end needed a place to live, and north Denver was an attractive option for many. By 1960, the city's population grew to more than 14,000 and several other cities had begun to spring up around it, including Thornton, Northglenn and Broomfield.

Today, more than 100,000 people call Westminster home thanks to its relative location to Denver and convenient access to the Front Range. As the city has grown, so too have its ambitions to develop a welcoming community to new families with plenty of community events and open space to enjoy. ▪

Housing Along the Valley Highway

While Westminster was busy growing to the west of the Valley Highway, later renovated and renamed Interstate 25, Thornton sprung up on the east side to accommodate the rapid growth of the area, due in part to an influx of World War II veterans to the area who needed a place to settle down and call home.

In 1953, Sam Hoffman recognized the potential for development east of Westminster and Broomfield, which were still experiencing growth brought on by the completion of the Denver-Boulder Turnpike. Hoffman bought a section of empty farmland seven miles north of Denver and announced his intention to build a new city. He named his new city after Colorado's then governor Danial Thornton, and set out to build houses in the newly christened town of Thornton.

Like the city itself, many of the early streets in Denver's newest suburb were named after prominent people, including the farmers who previously owned the land he was building on. When it was completed, Thornton was Adams County's first totally planned city and first to offer complete municipal services, including water, sewage, recreation facilities, and fire and ambulance services.

In just two years, Thornton grew to more than 6,000 residents, and was incorporated in 1956. It wasn't long until others began

Valley Highway Housing

to realize the potential of the area. Just north of Thornton, Perl Mack Homes set out to build the totally new community of Northglenn. Although Northglenn received numerous awards for being a well-planned community, it still faced the threat of annexation by Thornton, which was on its way to becoming the county's largest city. In 1969, Northglenn joined Westminster and Thornton as incorporated cities vying for territory along the I-25 corridor north of Denver.

By 1971, Thornton and Westminster had annexed land encircling Northglenn, and the battle shifted from territory to water. This new battle led to numerous legal battles and disagreements throughout the 1970s. The three cities finally

reached a historic four-way agreement with Farmers Reservoir and Irrigation Company (FRICO) in 1979. The landmark agreement signaled cooperation between agricultural and municipal interests, and ended a decade long battle over water rights. Although the three cities share similar growth stories, each had a unique beginning. Today they continue to grow together and nearly 300,000 people call one of them home. ▪

Photo courtesy of City and County of Broomfield.

City & County As One

In 1885, while C.J. Harris was busy laying the foundations of a community that would later become Westminster, philanthropist and entrepreneur Adolph Zang was doing the same in present day Broomfield. Zang purchased 4,000 acres of land northwest of Harris' community along a railroad spur later named Zang's Spur. There he would establish his Elmwood Stock Farm and pursue his passion of breeding pureblood Percheron horses. The spur had been used to deliver locally grown grains to the Zang Brewing Co. in Denver, one of the largest breweries in the country at the time.

In the late 1800s, the first railroad lines were built through the area. By the turn of the century, it was possible for a passenger to board a train in Broomfield and travel to almost any point in the United States, Mexico or Canada. In 1904, the Denver & Interurban railway was formed, able to take passengers throughout the northwestern part of the Front Range along its Main Line. Soon Broomfield had 19 passenger trains coming through town each day.

The success of the railway was short lived however, as automotive transportation became more readily available. Denver & Interurban Railway ceased operation in 1926, and passenger trains faded out of use. For the next several decades, Broomfield survived as a small community with a handful of shops and factories, but mostly relied on farmlands. By the time World War II ended in 1945, only about 100 families lived on farmland in the area. In 1950, construction on the Denver-Boulder Turnpike began, reshaping the communities between. While Westminster saw rapid growth for its location in relation to Denver, Broomfield also saw quick growth after the turnpike's completion, and within a few years the small farming community had evolved into a small city of 6,000. Part of that growth can be attributed to the city's master plan developed when Turnpike Land Company purchased land in the area in 1955, reimagining it as a "dream city." In 1961, the residents voted to incorporate, naming the new city after the abundant broomcorn that grew in the area.

The city made state history in the late parts of the 1990s when it annexed land pushing it into parts of four different counties: Weld, Jefferson, Adams and Boulder. This created problems accessing services, prompting the residents to create the City and County of Broomfield. The new county officially took effect in 2001. Today, Broomfield has outgrown the original 4,000 acres Zang purchased in 1885 and encompasses more than 30 square miles. It has become a location that attracts large commercial and industrial operations, like Flatiron Crossing. The master plan, developed by the city's founders more than 60 years ago, still governs the city today. ▪

Spacious Living

As a cooperative, United Power serves at least part of nearly 20 different communities across Colorado's Front Range and two mountain canyons. While all have a unique story to tell, perhaps few are more unique the town of Lochbuie, located along Interstate 76 just northeast of Brighton. Some might even call its story quirky.

When Bim and Art Eppinger purchased the small plot of land that is now downtown Lochbuie in 1960, their plan was simple. Across Colorado, mobile home owners were paying high rents for small plots of land to live on. The Eppingers' plan would divide the purchased land into lots and sell it to would-be residents as their own property.

With 500 initial lots available, the Eppingers already had a name for their innovative city – Spacious Living, which eventually became Space City. Within only a few years, nearly every lot would be spoken for.

In the early years of the town, there was no water, sewer or electricity. To get electricity, residents had to plug into a single pole shared by other residents, and water had to be carried in from a singular well. In 1963, Public Service Company of Colorado (now Xcel Energy) piped in natural gas lines.

The town incorporated in 1974 to address its growing sewer problem. Early residents each owned their own septic tanks, which were eventually condemned for being too close together. In order to receive government funding to build a sewage system, the town needed to be incorporated. Around that time, Bim Eppinger sold out of his share and the town was officially renamed Lochbuie, after a town by a similar name in Scotland.

Despite its quirky and innovative beginnings, Lochbuie has grown quickly. In the 1980s, the town added the subdivisions Lochwood and Lochwood Farms more than doubling the town's size. Today, more than 6,000 people live in Lochbuie. ▪

Photo courtesy of Town of Lochbuie.

Preserving an Agricultural Heritage

Separating the growing city of Brighton from the traffic jammed roads and towering buildings of downtown Denver is an open space buffer consisting mainly of historic farmlands. The farmlands, some once slotted for development, remain today due in large to a joint effort by the City of Brighton and Adams County to preserve the city's proud agricultural heritage.

Many years ago, long existing farms in the Brighton area were responsible for growing much of the produce sold at Denver-area markets – from local farmers markets to brick and mortar stores like Safeway and King Soopers. During its height, trains would transport Brighton-grown produce across the country.

By the time the Hughes Station railroad arrived in 1871, Brighton was already an established farming community. The area's first irrigation ditch, Brantner Ditch, was filed for in 1860. Its second, the Fulton Ditch, was dug just five years later. The crop of the time, sugar beets, drove agricultural-based industrialization across Colorado. At one time, more than a dozen processing plants existed in the state. In the early 1900s, Brighton and Great Western Sugar Company agreed to build a plant outside of town. When the plant opened in 1917, it became the company's showcase operation, largely as a result of its proximity to Denver and the railroad.

Sugar beet farming was a labor intensive process, and when the plant closed in the late 1970s, many laborers found themselves unemployed. Although Amalgamated Sugar Company purchased the factory in 1985, it did not process sugar and left many buildings vacant. The loss of the plant signaled a change in local crop production to less labor intensive crops. Farmers also led the effort to recruit new industry that would provide employment opportunities to laborers between harvests.

In 1995, Denver opened Denver International Airport on a parcel of land northeast of downtown. Now more accessible, the more affordable communities of Brighton and north Commerce City became attractive locations for new families. Since 2000, Brighton's population has nearly doubled, bolstered by the expansion of E-470, Denver's intercity toll road, just south of Brighton. As growth continued, developers offered a premium for lands previously reserved for farming. For many, it became more lucrative to sell and retire than continue operating. Hundreds of acres of lush farmland were quickly converted to housing and commercial development, pushing them to buy or lease land farther north toward Greeley.

Fearing the loss of its identity as an agricultural community, the City of Brighton and Adams County stepped in. What began as the purchase and lease of hundreds of acres of farmland eventually resulted in The District Plan. The District Plan not only seeks to ensure historic farmlands are preserved, but also enrich the city's image as a commerce center for agriculture and support agritourism near the communities served. Most small and growing communities surrounding major metropolitan areas once had roots in agriculture, but many have embraced the rapid growth and development that comes with a location near such cities. Rather than settle for the loss of productive farmland and its link to an agricultural heritage, Brighton, located just 20 miles from downtown Denver, instead chose to fight to preserve that identity. ▪

Photo courtesy of City of Fort Lupton.

Keeping a Long Tradition Alive

While residential and commercial development threatened Brighton farmland, Fort Lupton, a small community between Brighton and Greeley, faced a different industrial encroachment – gravel mining. Fort Lupton's location near the South Platte River and several major highways made it an attractive location for industrial gravel mining. As gravel mining chipped away at available farmland, Fort Lupton shifted from a small farming town to a bedroom community for those looking for the quiet solitude of a small city with relative access to the benefits of living near a major city.

The original story of Fort Lupton, however, is one traced by the evolution of its famous festival at the end of each summer, currently called Trapper Days. The current festival is a patchwork of the various elements that celebrate the town's rich history dating back nearly 200 years to the founding of Fort Lancaster in the early 1800s, named for its builder, Lancaster Lupton. While the name is reminiscent of the town's early history as a trading post for animal skins with other trappers and local Indian tribes, the festival actually began much later as something entirely different.

Originally named Tomato Days, the festival was put on by O.E. Frinks, owner of a local cannery, at the end of each summer to celebrate the conclusion of the tomato harvest. His cannery employed many in the town and surrounding area. When the cannery shut down, the festival continued under a new name – Pioneer Days. Pioneer Days later changed to Rendezvous Days before eventually settling on Trapper Days, which has been celebrated for more than 40 years. Each year Fort Lupton attracts thousands of visitors to its three-day festival celebrating the city's early pioneers while educating them about its proud history.

Lupton's fort was only in service for a few years and sat vacant for many more before the early settlers of Fort Lupton arrived in the late 1800s. Those early years of settlement were quite difficult, and the fort provided a safety net.

"In later years of the original fort's history, it became a rest stop for travelers and a safe place from Indian raids," said DebraRay Thompson, director of the Fort Lupton City Museum. "Many early travelers came to know the place as Eden."

Those settlers who stayed at the fort were able to craft a grand vision, for the time, into a reality. Wanting to attract a railroad, W.G. Winborn platted the historic downtown a short distance from the fort and nearby river. It became a lively downtown, and many of those early structures still exist today, a dedication to and reminder of the hard work put into the city by its founders. ▪

Intersection of Change

In the mid-1800s, Central Pacific and Union Pacific raced to build the country's first transcontinental railroad. As this large scale undertaking was being completed, railroads quickly became the primary form of transportation. Minor railroad companies sprouted up to compete with the larger ones, and spurs were built connecting major population and supply hubs, like Denver, Cheyenne and Chicago. Steam engines used at the time were unable to carry enough water or coal to make these long treks without frequently stopping to refuel. To solve this problem, water stops were built every 10-20 miles where engines could pick up new fuel loads. Many of those former stops exist today as small towns peppered across the country along old railroad lines. Hudson is one of these towns.

The early railroads were granted a lengthy right of way as they built across the plains, and were also awarded grants from the federal government to purchase land. In 1863, a section house and depot were built in present day Hudson along the Chicago, Burlington and Quincy line. A couple years later, the railroad returned to the promising area to dig a well that could pipe water directly into the cistern used for refueling. In 1887, the railroad sold the land to Hudson Land & Improvement, which envisioned something grand for the area. The company marketed the new town as a booming young city full of "promise and enterprise," with a layout much larger than the actual plot of purchased land. This vision for the town never came to fruition.

For many years throughout the early 1900s, the railroad was Hudson's lifeblood. The railroad's frequent stops in Hudson for refueling also allowed it to bring in supplies necessary to keep the town up and running, including lumber and coal. As a town on the plains far from the closest major city and dependent on the railroad, many settlers turned to farming. Early farmers relied on dry land farming because the area lacked sufficient water resources until the completion of the Henrylyn Irrigation District in 1923, which provided water to Hudson, Keenesburg and parts of Prospect Valley. The successful completion of the district attracted numerous farmers from other parts of the plains as the area began to produce some of the state's best crops.

Although evolutions in transportation have shifted away from railroads as a primary form of transportation, Hudson remains an active participant in the industry. The Hudson Terminal Railroad sits on 85 acres of land and incorporates nearly 12 miles of track to store and load up to 400 railcars. Sitting at the crossroads of two highways, the town has become a convenient and accessible community for travelers, and the productive farmland has kept many residents in the area for generations. ▪

Securing a Century

In the fall of 1958, nearly 200 people gathered in the Keenesburg school auditorium not to decide the future of the town, but of a road that could make or break it. A twenty-mile stretch of road from Hudson to Roggen on the renovated U.S. Highway 6 that would eventually become Interstate 76 was under debate. It has been described as the most important meeting in town history.

Like many small towns along the plains in Colorado, the Town of Keenesburg was originally platted as a train depot. As transportation moved away from trains, however, rural communities became more reliant on highways. The only major highway with convenient access to Keenesburg was an extension of U.S. Highway 6, allowing local businesses to sprout up along it and serve travelers. New legislation passed in 1956 targeted U.S. Highway 6 for conversion into an interstate highway. Although the state had promised to route the new highway as closely to town as possible, the proposed route ultimately ran nearly two miles north.

Fearing the new route could threaten the town's long-term viability, the Chamber of Commerce called a public hearing to argue the merits of an alternate route closer to town. Prominent residents took turns elaborating on the town's highway dependability. The meeting resembled a well-rehearsed courtroom drama with more than 20 different testimonies that went well into the night. Chamber president Harry Pippin served as mediator, keeping peace and order. If the road moved so that highway traffic could not see businesses, and the services they offer, insurance agent Philip Bowles argued, "…then these businesses have just about as much chance as the gentleman who winked at the blond in the dark." It was doubtful new

businesses would move in to replace the ones that could not continue before them. "Therefore we feel that the very existence of the town depends on the future location of Highway 6," Bowles said.

Due to the frequency of blizzards across the plains at the time, Keenesburg quickly became more than just a pit stop for passersby, however. Convenient access and the presence of a medical clinic made the town a safe haven for stranded travelers. These benefits represented a reasonable argument for the road to be located near Keenesburg instead of bypassing it entirely, attorney David Miller said.

"Human life I think is more important, both economically and in its existence, than simply a road users' benefit measure," said Miller.

Sometime following the public hearing, the state highway department elected to build near Keenesburg. The aggressive approach those early leaders took potentially saved the town.

In the late 1950s, the Chamber of Commerce placed a now famous sign at the entrance to Keenesburg reading, "Home of 500 happy people and a few soreheads." Though the sign has since been replaced, the wording remains the same, even though the population is incorrect. More than 1,200 people (and perhaps a few more soreheads) will celebrate Keenesburg's 100th anniversary this summer. Had the highway been built bypassing the town, it might more closely resemble a ghost town than the small rural community it is today. ∎

Colorado Coal Pioneers

In the years following Colorado's famous gold rush, coal mining became the most significant industry in the state. Hard metal mining in the mountains revitalized the northern coalfields, which produced much of the state's coal. When New York native Henry Briggs established the first commercial coal mine in Coal Park, present-day Erie, the area was already known for its rich coal deposits.

A few scattered farmers were initially responsible for settling near Coal Park, connected only by a lonely stagecoach route traveling from Denver to Laramie each day. Surface coal at the time was plentiful, and early farmers made good use of it. A few ambitious individuals even earned extra money gathering surface coal and delivering it by wagon. In 1859, Jim Baker dug the area's first coal mine, although credit is often given to Ira Austin. Austin dug a coal mine in 1866 on land east of Erie that he had acquired from George Gilson, who didn't feel coal mining would be lucrative without access to a railroad.

Around the time of Austin's mine, Reverend Richard Van Valkenburg also settled in the area. Fresh off serving in the Civil War, Van Valkenburg had relocated to Colorado to regain his health while working in the mountain metal mines near Central City. Van Valkenburg knew Colorado and Wyoming well, having spent time as circuit rider in the war. Circuit riders were traveling ministers who would preach sermons from town to town where there was no local church. While living in New York, he married Cordelia Briggs, a relative of Henry Briggs.

Like many following the coal mines, Henry Briggs saw the sound investment in Erie, and filed for 160 acres on the east side of town. In 1871, operations at the Briggs Mine began, and for many years the mine produced roughly 70 percent of the area's coal. Together, Van Valkenburg, Briggs and a few other prominent residents platted the town and renamed it Erie, after the Pennsylvania city.

The discovery of coal and establishment of a prominent mine attracted a spur from the Union Pacific railroad later in 1871. Soon, several more mines were filed, and the area grew rapidly. Mining tunnels stretched for miles, often connected to each other. In poor weather, people would sometimes walk in the protected underground system to get from one place to another. Erie became Colorado's most important coal town at the time.

For several decades, the northern coalfields continued to produce coal at a high rate until the demand began to diminish in the 1940s. In 1978, one of the last operating mines in the Erie area, the Eagle Mine, discontinued operations. A year later, the Lincoln Mine closed, ending a 100-year industry in the area. The remnants of Erie's past still exist today deep beneath the bustling town, shuttered and off limits. ▪

Photo courtesy of Town of Erie.

Photo courtesy of Town of Firestone.

The Carbon Valley Communities

In the early parts of the 1870s, coal mining had already taken flight in the northeast coal fields from Marshall to Erie. The success of the Briggs Mine and the commodity of coal attracted more miners, who staked their personal claims to land throughout the area and opened new mines. As miners followed the coal seam father northeast, new communities began to form to capitalize on the lucrative resource. The final few communities established along the far end of the prosperous coal veins were Firestone, Frederick and Dacono, also known as the Tri-Town or Carbon Valley area.

In the early part of the 1860s, William and Tom McKissick were members of a voluntary militia organization at Fort

Junction north of present-day Firestone. The sod fort was constructed during the Colorado War to protect early settlers from Native American attacks. The Colorado War was fought between the allied tribes of Cheyenne and Arapaho nations and white settlers and militia. While settlers were investing in coal mining a few miles away in Erie and Marshall, early settlers to the Tri-Town area recounted it as nothing more than plains, woods and wild animals. A few years following the Colorado War, though, the McKissick brothers discovered coal near the fort, and established one of the earliest mines in state history in 1872. Soon three different mining camps emerged.

The area's first major mine was the Baum near present-day

Carbon Valley Communities

Frederick and named for Charles Lockhart Baum, president of Consolidated Coal & Coke. Baum is credited with opening the Weld County coal fields and establishing the mining camp later known as Dacono. Baum named the new community after three influential women in his life – one of them being his wife, Daisy – although his relationship with the other two – Nora and Cora – is still subject to conflicting reports. Frederick and Firestone were also founded around the same time. Although the three new communities were located near each other and had the same principle industry, there was a desire for each to remain distinct. When Frederick A. Clark's daughters filed for incorporation of the town named for their father, Dacono and Firestone quickly followed. Between December 1907 and January 1908, all three had filed for incorporation, only days apart.

Farming was not a significant force in settling much of the Carbon Valley area. New settlers were often single men or men who had come to investigate the area before bringing their families. To accommodate these hopeful miners, each town set up boarding houses and hotels. The towns also attracted miners from the southern coal fields, who came to seek more stable job opportunities. Farms that operated near Carbon Valley offered extra job opportunities when weather or demand impacted coal production. As farming progressed, the Frederick elevator was able to provide farmers somewhere to buy supplies and market their products.

Despite the growth of farming, coal mining remained the area's central product. Early coal mining was a dangerous job. The threat of explosions, cave-ins and black lung were ever

Carbon Valley Communities

present. Miners were often also expected to provide their own equipment. Charles W. Smith, then president of Consolidated Coal & Coke, saw need for a new innovative machine that would revolutionize coal mining. The new machine, called the Continuous Miner, would mine coal vertically from the face to the pit car in one operation, and was first tested in the Baum Mine before the patent was sold to Joy Manufacturing to be marketed and distributed across the country.

Despite having only a small fraction of Colorado's coal mines, Weld County produced nearly 25 percent of all coal mined in the state. Like Erie, coal production continued until demand

began to diminish in the 1940s and most mines began to close. While the legacy remains, the stories have grown vague with time. But there is one certainty you can find in their history, Eleanor Ayer said in her historical compilation of Carbon Valley, *Green Light on the Tipple.*

"The most certain fact concerning the settlement of the Tri-Towns is this: for every story told about the history, you can find someone with a slightly different version," wrote Ayer. ■

A Sugared Past

Sugar beets have a long history in Colorado. In the late 1800s, a research study at what is now Colorado State University discovered the region was environmentally suited for sugar beet farming, paving the way for an economic movement that would sweep across parts of eastern Colorado for decades. Great Western Sugar Company established its first processing plant in Loveland in 1901 and a showcase plant in Brighton years later, but history was made in Johnstown.

Johnstown, platted in 1902 by Harvey Jay Perish in anticipation of a railroad hub, and Milliken began recruiting the sugar giant to build a factory between the two towns in 1910. Since Great Western and rival Holly Sugar both owned land nearby, the area was a natural fit for either company. In May 1920, after nearly a decade of discussion, Great Western finally announced Johnstown would receive its plant. Local banker W.E. Letford is credited with stepping in to facilitate discussions in 1917. The announcement came amid a worldwide sugar shortage, driving up prices. In the months following the announcement, growth boomed in Johnstown. At least seventeen businesses and homes were in various stages of construction, including a new hotel and bungalows for factory workers. The town doubled the size of its reservoir and approved funding for a new middle school and high school.

Then, suddenly, the bottom fell out. Just months into construction, the sugar market collapsed, halting work on the Johnstown factory. The stoppage impacted the whole town, as construction of new homes also ground to a painful halt.

To make matters worse, existing factories were running into another problem. Processing beets yielded a fair amount of discard molasses, and factories were unsure of how to dispose of it. Since this molasses still contained a high percentage of valuable sugar, chemists were determined to find a solution for how to extract it.

After years of experimentation, Great Western felt it was ready to build a refinery to extract this sugar. Great Western announced this factory for Johnstown. When it finally opened in 1926, it was the only one in the world to successfully use a barium-process to manufacture refined granulated sugar from formerly worthless discard molasses. The factory quickly gained worldwide attention as the only successful refinery to utilize the new process. Two others had made the attempt, but both had closed by 1927.

The new factory reinvigorated Johnstown's hope for its future. As production increased, so too did beautification of the town. Parks and fountains could be seen around town, more homes were built and a large elementary school was constructed. Over the next 30 years, Great Western made multiple world-shattering announcements, adding to Johnstown's historic and iconic factory, including two new products (soft brown sugar and confectioners powdered sugar) and the construction of a new processing plant for MSG, which gained worldwide popularity in the 1950s. Although neither of these factories exist in Johnstown today, they stand as a historic reminder that even the smallest towns can make history. ▪

Highlandlake Heritage

Like many towns in the eastern plains north of Denver, Mead began when a railroad was announced for the area. In 1905, Great Western Railroad made plans to build a railroad station and sugar beet dump on the eastern side of Paul Mead's farm in what was then known as the Highlandlake District. The location of the railroad, however, would bypass an already prosperous community by nearly two miles.

Years earlier in 1871, Lorin Mead noticed a singular depression in the land while on a stagecoach bound for Greeley from Longmont. An antelope was drinking out of the spring pothole, paying no attention to the passing stagecoach. Several months later, Lorin staked his claim on the land, and began building Highlandlake. The land in those early years was semiarid. Many farmers felt the land was uncultivable, but Lorin thought his spring would be enough for his needs. A severe drought in 1873 quickly changed his mind, and he began work on the Highland Ditch, a 25-mile irrigation ditch from Lyons. As the story goes, with 19 miles left to complete on the ditch, Lorin resolved to finish in one day. The local paper picked up the story, but no one knows whether it is true.

The completion of the ditch provided additional water storage and irrigation for the land, and the area began to boom. Highlandlake quickly became a popular camping location for people from as far away as Colorado Springs. The lake offered several family friendly activities and a view of the Rocky Mountains away from the city. As the area continued to boom, the need for a physician also increased, and Lorin reached out

to his brother, Dr. Martin Mead, extolling the virtues of the area. In 1883, Martin and his family moved to Highlandlake from Cleveland, including a young son named Paul.

By the early 1900s, sugar beets had become the cash crop of the area. Great Western Sugar Company would operate as many as 13 processing plants across the northeastern plains. Paul was working his father's farm east of Highlandlake when the Great Western Railroad announced the new line near his farm. Before the first track was laid, Paul had plotted out the lots and streets for a new town, including lots for both a park and a school, and named it after his father. By the time Paul traveled to Greeley to file his new town in 1906, he had already sold 75 lots. In only a few years' time, most of Highlandlake had moved over to the new town of Mead.

Although much of the community moved, the values remained. Paul, a strong supporter of the Women's Christian Temperance Movement, endorsed women's suffrage and prohibition against alcohol. Many early plot deeds included a clause prohibiting the possession or use of alcohol. The community that composed Highlandlake and Mead also elected the state's first all women school board in 1895, years ahead of Denver. Today, the only public building that remains in the once thriving Highlandlake community is the Historic Highlandlake Church, built in 1896. The church gained notoriety in the 1990s when it became a set for Bruce Willis' film *Die Hard II*. ▪

Finding Refuge on the Prairie

At the heart of Commerce City is a piece of American history so significant, it's impossible to tell the city's story without it. The Rocky Mountain Arsenal was established in 1942 on 30-square miles northeast of Denver following the Japanese bombing of Pearl Harbor.

Like many small communities along the South Platte River east of Denver, Commerce City had humble beginnings in agriculture as early as the mid-1800s. Though the land had ample access to water resources, there were few trees and no lakes or reservoirs. Through hard work, homesteaders created an area full of successful farms and ranches. Throughout the early 1900s, the area was devoted to wheat fields, dairies and pig farms. Railroads built along the river would later attract large industrial development, and the first refinery was built in the 1930s. At that time, the area was made up of several small neighborhoods, including Adams City, Irondale and Dupont (which would merge to become Commerce Town in 1952). More than 200 families occupied the land east of the city that would encompass the Rocky Mountain Arsenal.

Japan's attack thrust the country into World War II, and the United States needed a secure place to develop physical and chemical weapons. The area near Denver was selected because it was far from coastlines and sheltered from enemy aircraft by the Rocky Mountains. It also offered access to major railroads and a large workforce, as well as plenty of water and power supplies. Although not all shared the sentiment, many farmers viewed it as their patriotic duty to surrender land to help win the war. The United States Army would occupy the land until the war's end, when it was leased to Shell Oil Company. Through 1985, Shell used the land to develop agricultural chemicals. The manufacturing process resulted in unintended contamination of the soil and water in and outside the arsenal.

The U.S. Fish & Wildlife Service got involved when a contractor discovered endangered bald eagles roosting on the contaminated site in 1986. However, it was Jean Klein, then president of South Adams County Water and Sanitation, who initiated the push to clean and preserve the area, with support from Commerce City, Tri-County Health, the Environmental Protection Agency and a host of other oversight groups. Although outside interest groups made an effort to oppose funding for the cleanup, the residents of Commerce City, who had fully embraced the arsenal and its history, were successful in getting it declared a national Superfund site and eventually reopened as the Rocky Mountain Arsenal National Wildlife Refuge.

Today, the Rocky Mountain Arsenal is one of the world's most successful urban wildlife refuges, welcoming more than 350,000 visitors annually and housing more than 330 species of wildlife, including raptors, migrating songbirds, bison, deer, and the recently introduced endangered black-footed ferret. Had it not been for the efforts of the early homesteaders to develop the land suitable for farming and raising a family, it's unlikely the land would have become as welcoming for wildlife as it is today. Nearly 100 years later, their legacies live on both as a piece of history and a refuge for the area's precious wildlife.

"I call it the miracle on the prairie," said Reba Droter, who was actively involved in the cleanup and establishment of the refuge. "It's a little piece of untouched land where you can see the beauty of the prairie and the mountains just as the settlers did. If it hadn't been for the arsenal, this land would be industrialized Denver, and the beauty would be lost." ▪

October 21, 1938
Union Rural Electric Association Certificate of Incorporation signed. The cooperative's first board meeting is held the following day.

March 23, 1939
First loan application for $270,000 submitted to REA Washington.

April 24, 1942
Severe ice and snow storm causes extensive damage to Union REA's lines. Dozens of poles are knocked down, and lines are severed in more than 50 places.

1952
Union REA joins with 24 other REAs to form Tri-State Generation & Transmission Association.

October 1959
Union REA moves to 18551 E. 160th Ave. Headquarters location.

May 1, 1973
Opening of Crescent Village Office (Coal Creek office) in former post office and store.

January 28, 1987
Union REA Vice President Alvin Lesser and Secretary-Treasurer William Dersham go missing in a plane crash.

March 5, 1987
Remains of the plane with missing United Power directors and lobbyist are found. There are no survivors in the crash.

1946 & 1947
Union REA constructs distribution line in the Coal Creek Canyon.

1961
The PUC rules that Union REA is a public utility.

May 1975
Physical meter reading by United Power established. Until this point, members are reading their own meters.

January 24, 1940
Union Rural Electric Association energizes first power line. The line serves 110 members and is energized 1 year, 3 months and 3 days after incorporation.

1954
NRECA's Willie Wiredhand is copyrighted— a symbol used to unify REAs.

November 23, 1968
The Annual Meeting is held at the Adams County Regional Park for the first time.

August 22, 19
PSCo Buyout electi Union REA membe to reject PSCo's tak offer and place thei in the promise of th cooperative's future

![UNITED POWER logo]

April 1990
Union Rural Electric
Association changes its
name to United Power.

1993
Brighton joins the
United Power family,
and an additional
6,000 meters are added
to the cooperative.

May 2006
The cooperative moves to
the headquarters facility at
500 Cooperative Way
in Brighton.

May 15, 2009
United Power energizes Sol
Partners, the nation's first
cooperative solar farm.

![Touchstone Energy Cooperatives logo]

April 1998
United Power joins
Touchstone Energy® —
the brand representing
a nationwide alliance
of consumer-owned
electric cooperatives.

October 2
United Power
implements A
Metering Infra
with plans to u
all meters by 2

May 30, 1992
Fort Lupton
office opens.

November 1990
United Power acquires the
Platte Valley division from
PSCo and adds over 6,000 new
members with the addition of
Ft. Lupton, Hudson, Keenesburg
and surrounding rural areas.

April 1996
United Power
registers the website
www.unitedpower.com.

May 2010
United Power
awards first Lois
Lesser Education
Scholarship in honor
of Lesser's nearly 20
years of service on
the board from Sept.
1989 to Apr. 2009.

June 2008
United Power offers its
first renewable energy
incentives on solar
electric and solar hot
water installations.

087
on–
rs vote
eover
r faith
ne
t.

1995
United Power establishes
the Operation Round-Up
Foundation. Members
contribute by "rounding-
up" their electric bills.

January 1999
Green Power Partners
launches and members
who choose to invest
can purchase renewable
energy in 100kWh
blocks for $2.50/block.

September 6
United Power, in pa
Waste Connections
Energy Systems, an
Erie, energizes the 3
to Megawatts Erie L

e No!

2016
In partnership with Silicon Ranch, United Power energizes a total of 20.5 MW of utility scale solar—a 13 MW field in Fort Lupton and a 7.5 MW field in Mead.

December 2018
United Power works with ENGIE to energize two utility battery storage projects. The 4MW system at the west facility is the largest battery storage project in Colorado.

February 2013
United Power reaches a milestone 70,000 electric meters served.

September 2013
Unprecedented 500 year flooding in Colorado. Widespread outages caused by submerged underground equipment in the northern plains while the mountain territory never loses power.

April 2017
United Power purchases a 130,000 sq. ft. facility in the rapidly growing West district.

...2012
...dvanced
...astructure
...upgrade
...2016.

May 9, 2016
United Power opens the new Fort Lupton office on Dexter Street.

December 7, 2012
The 2 MW Hangar 160 Solar Field is energized just south of Hwy 7 on Colorado Blvd. It is the largest cooperative utility scale system tied directly to the local distribution grid.

March 2017
United Power reaches 80,000 electric meters.

February 2015
United Power named the Rural Electric Cooperative of the Year by the Colorado Solar Energy Industries Assoc.

2017
Platte Solar, a third Silicon Ranch solar project, is energized, adding 16 MW of solar.

April 2018
United Power reaches an agreement with the Town of Frederick to purchase the Town's municipal utility. Voters approved the sale in July.
The transfer of members is completed in January 2019—adding 2,400 new members to the co-op.

..., 2011
...rtnership with
..., Inc., Landfill
...d the Town of
...3MW Methane
...Landfill project.

2015
Operation Round-Up Foundation celebrates 20 years and $1.5 million in charitable grants.

November 2015
United Power completes full deployment of Advanced Meters—one year ahead of schedule.

October 21, 2018
United Power marks 80 years of cooperative electric service.

OPERATION ROUND UP
20th
1995-2015
ANNIVERSARY

80
UNITED POWER
Your Touchstone Energy® Cooperative

Statistical Comparison

CONSUMERS RECEIVING SERVICE (AT YEAR-END)

1942 988

1978 12,002

2018 87,528
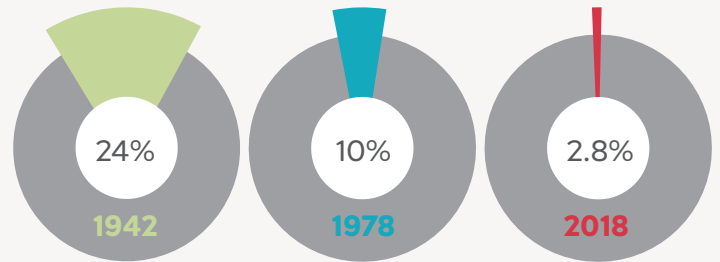
AVERAGE KWH PER CONSUMER* (MONTH OF DECEMBER)

74 kWh 1942

1,515 kWh 1978

2,427 kWh 2018
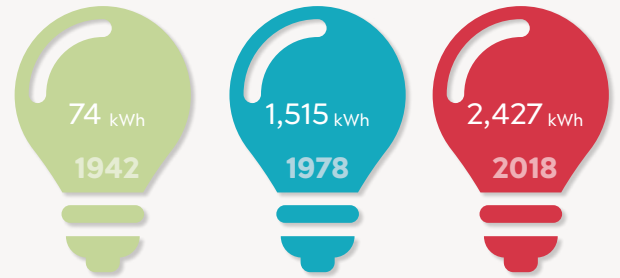
*Includes all consumer classes.

PEAK DEMAND (KW)

2018 501,490 kW

1978 36,993 kW

1942 325 kW
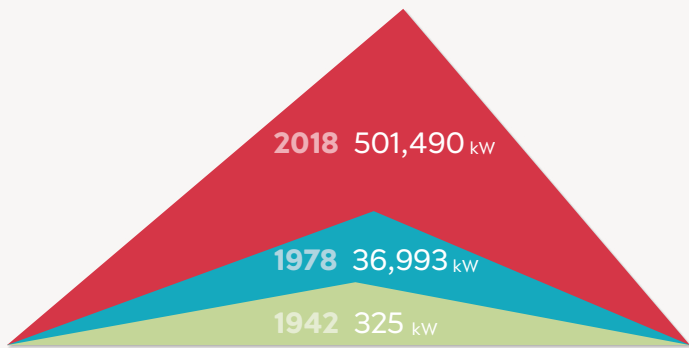
SYSTEM ENERGY LOSSES (%)

24% 1942

10% 1978

2.8% 2018

Financial Comparison

		1942	1978	2018
	ANNUAL OPERATING REVENUE	$59,272	$6,248,761	$255,682,734
	ANNUAL COST OF PURCHASED POWER	$13,555	$3,064,051	$191,749,770
	GROSS PLANT INVESTMENT	$407,333	$22,816,311	$347,984,980
	LONG TERM DEBT	$397,522	$12,744,368	$195,461,636

Our Cooperative History

Today, United Power is one of the most progressive and fastest growing cooperatives across the country. Over the past 80 years, United Power has reached milestones few other cooperatives have, but not without first overcoming a few seasons of turbulence.

THE BIRTH OF A COOPERATIVE

In June 1938, shortly after Franklin D. Roosevelt created the Rural Electric Administration, a group of local farmers in the counties northeast of Denver met to discuss the possibility of forming a cooperative to meet their needs. In October of that year, Union Rural Electric Association was born. The cooperative began construction on lines that would first serve members in late January of 1940.

Though the outbreak of WWII paused development, growth continued through the 1950s. During that time, Union REA entered a competitive territory battle with the state's largest public utility, Public Service Company of Colorado (now Xcel Energy), which had begun to see the area's lucrative potential. The battle over service territory would continue throughout the 1980s.

Legislation passed in 1961 finally recognized Union REA, and all other co-ops in the state, as full-fledged public utilities with the right to serve certified territories, temporarily halting PSCo's encroachment on the cooperative's territory. However, Union REA agreed to allow PSCo to serve some of the fastest growing towns in its territory following a negotiation in 1964.

In the 1970s, PSCo broke faith with the cooperative as growth exploded in the area during that time. The public utility began aggressively claiming territory beyond what Union REA felt was outlined in the agreement. During that time, Union REA lost nearly 2,000 accounts, and many more were considered "at-risk." In 1987, the Public Utilities Commission declared the agreement invalid in favor of the cooperative, triggering PSCo to initiate a takeover attempt later that year.

Now more than 10,000 members strong, the cooperative's healthy growth, combined with the proximity to the Denver metro area, made Union REA an attractive takeover target. PSCo offered to buy out the cooperative for $62.5 million and compensate members with a $500 cash payout to replace lost capital credits. Union REA leadership felt the offer was disingenuous, and communicated directly with membership until a vote on Saturday, August 22, 1987. Union REA members ultimately voted against the takeover, placing their faith in the promise of the cooperative future.

UNION REA BECOMES UNITED POWER

Following the member vote to reject PSCo's takeover bid of Union REA, the Colorado State Legislature urged the two electric utilities to settle its territory dispute in the interest of the public. The dispute had resulted in unnecessary duplication of distribution infrastructure over the years, which was costly to members and customers.

Three years later, in 1990, the two utilities finalized an agreement that would exchange certain territories and establish firm territorial boundaries. Union REA would begin serving Brighton, Ft. Lupton, Hudson, Keenesburg and the rural areas of Platte Valley. In return, PSCo would receive territory the new Denver International Airport was to be built on. The transfer closed the corridor separating the two areas the cooperative served along the plains.

With the territory battle behind it, the cooperative began focusing on resolving some glaring problems brought to light during the takeover attempt. Union REA's Board made a commitment to improve rates and reliability using PSCo's performance records as a measuring stick. With record performance levels and expectations aimed toward the future, Union REA became United Power, intending to help leave behind the

unsophisticated image of the traditional cooperative. The name change to United Power symbolized the cooperative's commitment to its rural heritage while presenting a progressive utility to a new urban member-base.

By November 1990, United Power had begun serving all the communities acquired in the exchange except for a lone holdout, Brighton, which had voted to deny the service transfer to the cooperative. A couple years later, United Power had developed a reputation of reliability and reducing rates. When PSCo approached the Brighton city council again in 1992, United Power members were paying six percent less than Brighton residents served by PSCo.

As the cooperative and PSCo worked to move the transfer forward, United Power made dedicated efforts to educate Brighton residents and answer questions concerning service, reliability and cost of power to bolster its image as a cutting-edge power supplier. United Power assured residents it would track outage and restoration times, guarantee reliability factors as strong or better than PSCo and pledged to freeze rates for two years if the transfer was approved. In 1993, United Power finally welcomed Brighton and its residents to the cooperative family.

RAPID GROWTH AND INNOVATION

Following the addition of Brighton to the United Power family in 1993, the cooperative entered into a period of unprecedented growth. Since adding Brighton, United Power has grown more than five times in size, remaining one of the fastest growing cooperatives in the country over the past 25 years.

Much of United Power's growth could be attributed to Denver's continued northeast expansion. In the 1990s, construction of Denver International Airport was completed adjacent to the cooperative's service territory and E-470 was extended into its southern quadrant. This provided greater access to the area, which offered affordable housing options and the opportunity to grow with the communities, mimicking the growth of Northglenn and Thornton years earlier.

Knowing it would serve new electric loads from homes and businesses moving into the area, United Power pursued an active role with communities as they planned for future growth and planned infrastructure to support that growth. As new residents flocked northeast to Brighton and its surrounding communities and north along the I-25 corridor, the cooperative outgrew the "typical" rural electric mold. The difference gave United Power new financial clout, allowing it to become the responsive utility the members and communities it served needed.

United Power constantly surveys technical innovations that can help better provide electric service that's safe, reliable and cost-effective. The ongoing evolution of technology has created a cooperative that looks far different today than it did just a few years ago, and United Power has adopted a strategy placing it at the forefront of innovation among cooperatives across the country.

United Power has taken proactive steps to keep power flowing while providing members with the tools necessary to monitor and control their usage. Improvements to the cooperative's infrastructure monitoring system, Supervisory Control and Data System (SCADA), provide more information related to outages and potential problems. The newly installed Advanced Metering Infrastructure (AMI) allows members to view detailed information related to their usage trends and history through the Power Portal.

Over the past few years, United Power has also installed innovative renewable programs as the technology has become easier and cheaper to obtain and install. From powering the country's first community solar field to the state's largest battery storage facility, the promise of a more efficient and economical future sits on the back of the innovations in technology that have helped to move the cooperative forward.

Over the past 80 years, United Power has grown from a small rural electric cooperative serving just over 100 members to a progressive urban cooperative with more than 90,000 meters. It has overcome a competitive buyout bid from the state's largest investor-owned electric utility, and set the bar for other cooperatives to follow as it adopts new and innovative technology. United Power is proud to celebrate 80 years of serving its members and providing safe and reliable power. ▪

2018 Board of Directors

James Vigesaa
Chairman
East District

Susan Petrocco
Vice Chairman
South District

Beth Martin
Secretary
East District

Ursula J. Morgan
Treasurer
West District

Keith Alquist, II
South District

Ginny Buczek
West District

Tim Erickson
East District

Brian A. McCormick
West District

Richard Newman
Mountain District

Dave Rose
South District

Tamra Waltemath
Mountain District

2018 ANNUAL REPORT
FINANCIALS

Comparative Balance Sheet

	2018	2017
ASSETS		
Utility Plant		
Electric Plant	$ 347,984,980	$ 323,900,638
less: Depreciation	(87,312,346)	(81,926,172)
Depreciated Value	260,672,634	241,974,466
Investments and Other Property	134,792,775	129,757,265
Current Assets		
Cash & Cash Equivalents	5,845,866	7,159,264
Receivables	11,056,883	11,282,225
Materials	6,410,484	5,540,535
Prepayments and Other Current Assets	34,550,404	24,363,988
Total	57,863,637	48,346,012
Total Assets	**$ 453,329,046**	**$ 420,077,743**
LIABILITIES & CAPITAL		
Capital Equities		
Patronage Capital	$ 198,824,947	$ 187,500,809
Other Capital	(4,269,612)	(4,962,561)
Total	194,555,335	182,538,248
Long-Term Debt	188,197,259	167,512,198
Obligations Under Capital Leases	216,296	729,382
Current Liabilities		
Current Maturities of Long-Term Debt	7,264,377	7,513,209
Current Maturities of Capital Leases	513,086	666,902
Notes Payable	26,000,000	29,500,000
Accounts Payable	21,323,765	16,706,260
Accrued Expenses	6,388,651	5,477,633
Accrued Taxes	4,460,161	5,392,087
Customer Deposits	1,507,211	1,138,721
Total	67,457,251	66,394,812
Deferred Credits	2,902,905	2,903,103
Total Liabilities & Capital	**$ 453,329,046**	**$ 420,077,743**

Statement of Operations & Patronage Capital

	2018	2017
OPERATING REVENUE		
Operating Revenue	$ 255,682,734	$ 227,404,844
OPERATING EXPENSES		
Cost of purchased power	191,749,770	173,659,441
Operating expenses - distribution	6,395,663	6,494,480
Maintenance of distribution plant	6,979,330	6,795,930
Consumer accounting and collection expenses	5,823,542	4,615,980
Other customer expenses	2,920,805	2,440,499
Administrative & general expense	12,232,906	11,417,059
Directors fees and expense	419,386	326,979
Depreciation	8,966,487	8,326,355
Property taxes	4,491,773	4,714,781
Interest on long-term debt	7,261,699	6,149,436
Other interest expense	482,962	481,844
Other expenses	599,994	446,481
Total Operating Expenses	248,324,317	225,869,265
Operating Margins (Loss) Before Capital Credits	7,358,417	1,535,579
G&T and Other Capital Credits	8,708,703	10,240,628
Operating Margins	16,067,120	11,776,207
Interest revenue	261,319	221,825
Other revenue (expense)	(190,592)	(779,745)
Non-operating margin	70,727	(557,920)
Net Margins	**$ 16,137,847**	**$ 11,218,287**

	2018	2017
PATRONAGE CAPITAL AND OTHER EQUITY		
Net Margins	$ 16,137,847	$ 11,218,287
Beginning of Year	182,538,248	175,901,166
Subtotal	198,676,095	187,119,453
Retirement of Capital Credits and Other Contributions (Net)	(4,120,760)	(4,581,205)
Patronage Capital & Other Equities End of Year	**$ 194,555,335**	**$ 182,538,248**

Financials at a Glance
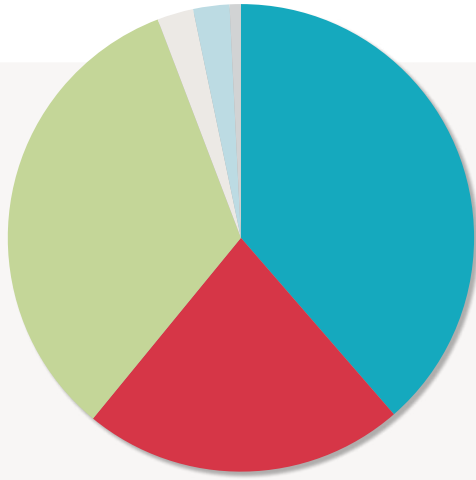
SOURCES OF REVENUE

Residential	$102,104,404	38.6%
Small Commercial	$59,056,304	22.3%
Large Commercial	$87,938,021	33.3%
Other Operating Revenues	$6,652,299	2.5%
Tri-State Allocations (non-cash)	$6,643,925	2.5%
Other Allocations & Income (non-cash)	$2,064,778	0.8%
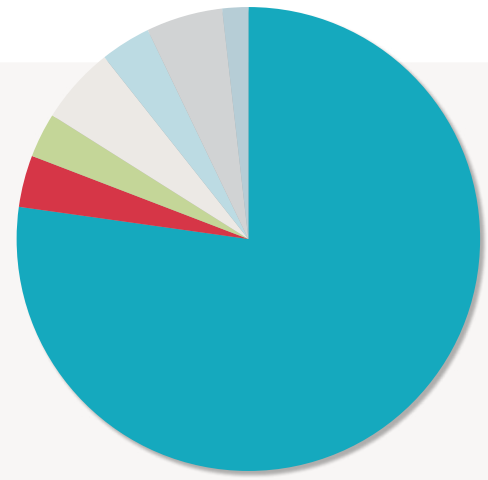
STATEMENT OF EXPENSES

Cost of Power	$191,749,770	77.2%
Depreciation (non-cash)	$8,966,487	3.6%
Interest	$7,744,661	3.1%
Operations & Maintenance	$13,374,993	5.4%
Consumer Accounts & Info	$8,744,347	3.5%
Admin, Gen'l & Other	$13,252,286	5.3%
Taxes	$4,491,773	1.8%

NUMBER OF METERS

2014	74,146
2015	76,629
2016	79,966
2017	83,323
2018	**87,528**

MILES OF LINE

2014	5,771
2015	5,800
2016	5,857
2017	5,979
2018	**5,941**

ENERGY SALES - KWH
(THOUSANDS)

2014	1,645,719
2015	1,965,198
2016	2,150,654
2017	2,182,274
2018	**2,447,189**

TOTAL REVENUE
(THOUSANDS)

2014	$179,892
2015	$208,569
2016	$219,962
2017	$227,405
2018	**$255,683**

TOTAL ASSETS
(THOUSANDS)

2014	$372,824
2015	$383,093
2016	$387,864
2017	$420,078
2018	**$453,329**

TOTAL PLANT INVESTMENT
(THOUSANDS)

2014	$308,718
2015	$309,352
2016	$302,293
2017	$323,901
2018	**$347,985**